iii. MAHARASHTRA PAFs RESETTLED IN GUJARAT

49 PAFs of Maharashtra have been allocated for R&R in Gujarat. The Government of Gujarat has resettled all these PAFs by allotting agricultural land and house plots as per their eligibility.

(d) The resettlement of all the PAF in all the three States, corresponding dam height EL 100.0m has been completed in accordance with the provisions of Narmada Water Disputes Tribunal Award as per information furnished by the concerned State Governments.

(e) No, Sir.

Banks without CMDs

*25. SHRI RAJEEV SHUKLA:
DR. ABRAR AHMED:

Will the Minister of FINANCE be pleased to state:

(a) the names of nationalised banks which are without CMDs at present;

(b) whether a number of new CMDs are likely to be appointed in the near future; and

(c) if so, the procedure/criteria/guidelines laid down for appointing new CMDs?

THE MINISTER OF FINANCE (SHRI JASWANT SINGH): (a) Currently the posts of Chairmen and Managing Directors in Allahabad Bank and Bank of India are lying vacant.

(b) The anticipated vacancies of Chairmen and Managing Director of Nationalised Banks upto 31.3.2004 are:—

(i) CMD,Andhra Bank *w.e.f.* 1.11.2003

(ii) CMD, Dena Bank *w.e.f.* 1.1.2004

(iii) CMD, United Bank of India *w.e.f.* 1.3.2004

(c) Appointment of CMDs in the Nationalised Banks are made in accordance with the provisions of Section 9(3) of the Banking Companies (Acquisition and Transfer of Undertakings) Act 1970/1980. Government

have, in addition, constituted an Appointment Board under the Chairmanship of Governor, Reserve Bank of India, Officials of Ministry of Finance and two outside experts to consider eligible candidates and to make appropriate recommendations. These recommendations of the Appointments Board are then considered by the Government for final approval.

Appropriate criteria and procedure are laid down by the Appointments Board, from time to time. Copies of these criteria laid down in October, 2000, and in November, 2002 are given in the enclosed Statement I and II respectively.

Statement-I

Relevant Extracts from the minutes of the meeting of the appointments boards held in RBI, New Delhi on 11th October, 2000

Agenda Item No. 2

Procedure for appointment of whole time Directors in Public Sector Banks

The Appointments Board recognized the need for providing for a reasonable tenure for Whole Time Directors in Public Sector Banks in order to ensure that the bank gets the benefit of continutity in leadership in an era of increasing competition along with a fair method of selection based on merit with due consideration to seniority, for maintaining the morale and motivation of employees. The issue of residual service for Chief Executive in an institution matters a lot, as a Chief Executive with very short tenure implies lack of long-term commitment and vision and gaps in formulation and implementation of the long-term policy for the organisation. It was also felt that the whole issue of Corporation Governance, which *inter alia* prescribes autonomy with accountability of the top management necessarily demands a minimum reasonable tenure for Chief Executives, which will avoid uncertainty and ensure continuity of policy.

The Appointments Board also noted that the introduction of a procedure prescribing minimum tenure for appointment of whole time director will give rise to super-session of a few persons with excellent

record for the top position on ground of their residual service being less than the minimum prescribed. However, the situation of super-session of otherwise qualified and competent persons will emerge at any time, when a transition from merit-cum-seniority procedure to tenure-oriented procedure is made. It was recognized that this may create resentment among some persons and may impinge on building organisational teams at higher levels.

The Appointments Board also recognized that the procedure for prescribing minimum tenure for whole time directors in State Bank of India (SBI) keeping in view its special status, large size and trained and skilled manpower, may be somewhat different from the one which may be followed for the nationalised banks. Keeping in view the constraints of public sector character of these banks and the existing guidelines of Department of Personnel and Training, the Appointments Board suggested that the following system may be followed by the Board while considering candidates for appointment as whole-time directors on the Boards of public sector banks:—

(a) For Chairman and Managing Director of SBI—a minimum residual service of two years from the date the vacancy arises.

(b) For Managing Director of SBI—a minimum residual service of one year from the date the vacancy arises.

(c) For Chairman and Managing Director of Nationalised Banks—All persons with minimum residual service of two years as on 1st April of the financial year in which vacancy arises will be considered. However, it should be kept in view that the person who is recommended for a particular nationalised bank should as far as feasible, have at least two years of service in the concerned bank.

(d) For executive Directors of Nationalised Banks—A minimum residual service of two years as on 1st April of the concerned financial year shall be considered for the purpose of calling people for interview....."

Statement-II

Relevant Extracts from the minutes of the meeting of the appointments boards held in RBI, New Delhi on 25th October, 2002

"**Agenda Item No. 2**

Appointment of CMDs of Nationalised Banks

The Board noted that the past practice has been to appoint CMDs from the existing Executive Directors of Nationalised Banks based on seniority. The Board felt that the CMD being the head of the bank must be dynamic, possess leadership qualities and executive ability. The Board decided that a Committee comprising of Shri S. Narayan, Finance Secretary, Ms. Vineeta Rai, Secretary (B&I), Dr. P. Kotaiah, Banking Expert and Prof. Abad Ahmed, Management Expert may have interactions with the Executive Directors who have put in at least one year service as ED and with at least two years of service remaining as on 1st April, 2003 and recommend suitable names for appointment as CMDs for all the vacancies arising during the financial year 1st April, 2003 to 31st March, 2004. The Board further decided that the Government may separately decide whether to confine selection of future vacancies to the existing Executive Director or whether to widen the scope of selection by inviting applications from suitable professionals/candidates through advertisement from the open market. Government may consider granting a compensation package to be offered to an open market candidate in order to attract best available talent. It was noted that the past experience of attracting outside candidates for top public sector positions at present salary levels was not very encouraging....."

Technology for rain water

*26. SHRI H.K. JAVARE GOWDA: Will the Minister of WATER RESOURCES be pleased to state:

(a) whether it is a fact that the technology of using rain water has declined in the country;

(b) if so, the steps Government propose to take for the optimum use of rain water;